

# **JOURNAL OF THE LATVIAN NUMISMATIC SOCIETY**



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## Statement of Principles

1. To provide collectors who specialize in Latvian numismatics a common organization. The field of interest may cover coins, currency, medals or decorations. The period of interest may be medieval, modern or anything in between.
2. To provide an avenue (JLNS) for sharing numismatic knowledge and information with fellow members.
3. To provide members detailed information which usually is not available in English, especially in the numismatic field.
4. To advance the knowledge of the history of the country and the people of Latvia, with a special emphasis on how the history relates to the field of numismatics.

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## FROM THE EDITOR

Welcome to the first issue of the Journal. I believe that the need for a Latvian Numismatic Society has existed for a long time. The Lithuanian Numismatic Association (LNA), for example, was formed over five years ago. In letters to THE KNIGHT, the official publication of the LNA, several people, praising the LNA for the good work it was doing, expressed a desire to see more articles dealing with Latvian numismatic subjects. We explored the possibility of adding a page or so dedicated to Latvian numismatics to THE KNIGHT. It's editor felt that there should be enough interest in Latvian numismatics to warrant the formation of an organization dedicated chiefly to the one subject, along with a periodical to be used as a means to transmit information quickly to all interested parties. Therefore, with great hopes of a successful venture, we hereby launch the Latvian Numismatic Society with this first issue of it's Journal.

We plan to publish the JLNS quarterly. The next issue is scheduled to be out in early January, 1984. We encourage your participation with articles, comments and suggestions for improvement. The deadlines for articles or news items are as follows: March 1 for the Spring issue, June 1 for the Summer issue, September 1 for the Fall issue and December 1 for the Winter issue. These are the dates by which copy must be received by the editor, not mailed by that date. All mail to the Society or to the Journal should be addressed to:

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## A REVIEW OF THE LATVIAN MONETARY SYSTEM 1

1918 -1941

Between the proclamation of independence on November 18, 1918 and 1920, when the Latvian ruble became the only legal payment medium, several kinds of money saw circulation in various parts of the country. In Vidzeme<sup>2</sup> mostly tsarist paper money was used, while in Kurzeme the so-called "ost" money circulated. The "ost" money was issued in 1916 by the Ostbank fuer Handel und Gewerbe in Posen (now Poznan, Poland) and in 1918 by the Darlehnskasse Ost in Kaunas, Lithuania. Both banks emitted notes; the first - in rubles and kopecks and the other - in marks. The supreme commander of the German army issued steel (iron) coins in 1, 2 and 3 kopeck denominations which were minted in Germany. Besides, Kurzeme saw the use of German marks and the promissory notes of the cities of Liepāja, Jelgava and Ventspils issued during the German occupation period.

With the Bolshevik invasion of Latvia, there came into use a large amount of notes issued by the provisional Russian government. In Rīga and Cēsis local Bolshevik issues (workers deputies' soviets) also circulated. In Latgale which remained under Bolshevik occupation the longest, the currency of the USSR was circulating, whereas in regions controlled by the partizans "partizan currency" was introduced. These were notes of the Russian provisional government with overprinting or stamps of the partizan forces. In the areas of Latgale where Polish forces were fighting the Bolsheviks in 1920, Polish money was used; the notes of the German occupation forces issued in 1917 - 1918, the steel coins referred to above, as well as, the currency of the independent Polish state, issued in 1919 - 1920.

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<sup>1</sup>Platbārzdīs, A., Latvijas Nauda (Money of Latvia), Daugava, Stockholm, Sweden, 1971, pp. 7-11. Translated by the editor.

<sup>2</sup>Name of one of the four Latvian states. The others are: Kurzeme (Kurland), Zemgale and Latgale.



During the war of liberation, in the regions of Vidzeme that saw the presence of Estonian troops (who fought with the Latvians against a common foe) Estonian and even small amounts of Finnish money was used. The Finnish notes were overprinted with, Pohjan Pojat Rykmentin Rahaston hoitaja, meaning, treasurer of the division of the sons of the North. This division consisted of Finnish volunteers who were helping the Estonians in their struggle for freedom. These Finns who, in 1919, fought in northern Vidzeme were paid in Estonian currency or the so-called wabaricks. This word led one to believe that a wabarick was a unit of Estonian currency. Actually it was a nickname derived from Eesti Wabariigi, meaning independent Estonia. These words were followed by "kassataht" or treasury note. Thus, the Latvians, not being conversant in Estonian, created a weird name as their neighbors' currency unit which, if translated, might mean, a free citizen.

Estonian and Finnish currency remained in circulation in the border regions which were under Estonian control until the signing of the border treaty on March 22, 1920. Later, the Estonian currency could be exchanged for Latvian currency at a rate of one Estonian mark to 40 Latvian kopecks. We can see why in some regions the Latvian rubles authorized by an act of march 22, 1919 never saw circulation.

Before the Bolsheviks were driven completely out of the country, Bermont had an opportunity to occupy portions of Zemgale and Kurzeme. In those regions the people were forced to use the so-called "Eastern Volunteer Army" notes.

The first order of the Latvian provisional government, dealing with monetary matters was issued by the secretary of the treasury on December 11, 1918. It stated that Russian tsarist currency and the issues of the Russian provisional government (1000 and 250 ruble notes issued since 1917), as well as, the "ost" money will be exchanged at the following rates:

1 tsarist ruble = 1.25 prov. gov. rubles = 80 "ost" kopecks. 20 and 40 ruble notes of the Russian provisional government, the so called "kerenkas" were not accepted for exchange. The nickname for these notes was derived from the surname of Alexander F. Kerensky, the last prime minister of the Russian provisional government. On December 28, 1918, a new rate applicable to all payments except railroad fares was announced: 1 tsarist ruble=1 "ost" ruble= 1.15 prov. gov. rubles. Since Germany had not yet turned the control of the railways over to the provisional government, the fares had to be paid in currency acceptable to the Germans. As of February 4, 1919 the currency of the Russian provisional government was no longer accepted for exchange and the following exchange rates were in force: 1 tsarist ruble= 1 "ost" ruble = 2 marks.

Events were soon to prove that financing the new country strictly with foreign currencies was impossible. The government's income failed to meet expenses, but the issue of currency was impossible, as long as, foreign currencies were recognized as the official means of payment. On February 4, 1919, the president's cabinet, in order to alleviate the shortage of low denomination bills, decided to issue Latvian treasury notes which would be backed with all of the government's properties and future income, and could, therefore at least temporarily serve as money.

The order of March 22, 1919, however, authorized the secretary of the treasury to issue the new currency up to a maximum of 25 million rubles and in the following denominations: 1, 3, 5, 10 and 50 kopecks (exchange notes) and 1, 3, 5, 10, 25, 100 and 500 rubles (treasury notes). Thus, the order authorized not just low denominations but higher denomination notes as well. The 1 and 3 kopeck notes were not issued but, in 1920 25 kopeck notes were issued. Likewise, 3 ruble notes were not issued, but a 50 ruble denomination was later released.

TO BE CONTINUED...

## A PREVIEW OF FUTURE ISSUES

1. Conclusion of A REVIEW OF THE LATVIAN MONETARY SYSTEM.
2. The superbly researched paper, LATVIAN BANKNOTES CONVERTED TO POSTAGE, by Forrest W. Daniel.
3. Contributions from our members. What can you contribute? We need your articles, suggestions and comments. The success of the LNS depends entirely on all of it's members.

## MODERN LATVIAN RARITIES

1. The 1938 two santimi coin. Mr. Platbarzdis writes about this coin in LATVIJAS NAUDAS and estimates that perhaps 30-60 pieces were struck at the Royal Mint in London.
2. The 1923 one lats coin. One specimen of this coin was reported by it's South African owner in a World Coin News issue of a few months ago.
3. Modern proof coins. These are very rare as well. The editor had an opportunity to examine a 1929 proof 5 Lati coin at the 1983 ANA show in San Diego, California.

We hope to do some research on these and possibly other rarities. We hope that our readers will share their knowledge with us on this subject.

